

Benefit Funds - Life Insurance Fund**Fund 156****BENEFIT FUND OVERVIEW:**

San José Municipal Code section 4.80.2000 establishes a single fund, the “Benefit Fund”, for the deposit and accounting of moneys related to the provision and financing of benefits to City employees, retirees, and their spouses. The various “funds” to which moneys are allocated are accounted for within the Benefit Fund.

PURPOSE OF THE FUND:

The Life Insurance Fund accounts for the costs of life insurance benefits for City employees, City Councilmembers, and dependents as required by applicable resolutions, ordinance, or contracts. Any contributions required to be made for life insurance claims are deposited into the fund.

Basic, Supplemental, and Dependent life insurance coverage, including accidental death & dismemberment coverage (AD&D), is provided through the City's group policy with The Standard Insurance Company. The City provides base life insurance coverage for non-management and management employees in accordance with the various Memoranda of Agreement. Eligible employees, based upon medical underwriting approval as determined by the Standard Insurance Company, may elect to purchase supplemental life insurance through regular payroll deductions.

Moneys in the Life Insurance Fund must be expended for expenses of providing basic, supplemental, and dependent life insurance. Revenues are credited each pay period using rates determined by the Human Resources Department multiplied by the number of employees per rate for the City's contribution. In addition, contributions from active and retired employees for additional coverage are credited to this fund. Life Insurance premiums payments are made on a monthly basis.

AUTHORITY FOR THE FUND:

San José Municipal Code sections 4.80.2000 through 4.80.2030. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- Employee and retiree contributions
- Interest earnings
- Transfers from City Funds

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Due to the fact that employee contributions are a source of funding for this fund, funds may not be removed from this fund to be used for some other purpose. Changes in contribution rates are not subject to the requirements of Proposition 218.

LEAD RESPONSIBILITY:

Human Resources Department

FINANCIAL INFORMATION AND LOCATION:**Comprehensive Annual Financial Report (CAFR) Designation:**

Governmental Fund- Special Revenue

Budget Location:

Adopted Operating Budget

Funding Sources Resolution and Appropriation Ordinance Location:

Section 16.04